

AUCTIONEER LICENSING INFORMATION BULLETIN

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New **Hampshire Board of Auctioneers**
Office of the Secretary of State
Concord, NH 03301-4989
(603)271-3242

AUCTIONEER LICENSING EXAMINATION REGISTRATION FORM

Applicant Name: _____

Address: _____

City/Town: _____ State: _____ Zip: _____

Telephone Number: _____

Date of Examination Requested: _____

Auctioneering School: _____ Date Graduated: _____

Address: _____

City/Town: _____ State: _____ Zip: _____

Telephone Number: _____

Supervising Auctioneer(s): _____ (Use additional pages if needed)

Address: _____

City/Town: _____ State: _____ Zip: _____

Telephone Number: _____

Date Apprenticeship Completion: _____

Signature of Applicant: _____ Date: _____

The fee for taking the New Hampshire Auctioneers Licensing Examination is \$30.00. Remit payment to the Treasurer, State of New Hampshire. Please submit payment and this completed Registration Form to the New Hampshire Board of Auctioneers, at the above address, at least 14 days prior to the scheduled date of the Auctioneers Licensing Examination.

All registration materials must be received and complete and correct by the close of business on the filing deadline date.

LICENSE REQUIREMENTS

This Bulletin provides you with information about the New Hampshire Auctioneers Licensing Examination and the application, process for becoming licensed as an auctioneer in the State of New Hampshire. To be licensed you must pass an examination to confirm that you have attained a minimum level of knowledge about the statutes and regulations affecting the auctioneering profession. After successfully passing this examination, you may apply to the New Hampshire Board of Auctioneers for a license. Once the Board has verified that you have met all requirements for licensure, the Board will issue an auctioneer's license.

REGISTRATION PROCEDURES

Please submit this completed Registration Form to the New Hampshire Board of Auctioneers, Office of the Secretary of State, State House, Concord, NH 03301, at least 14 days prior to the scheduled date of the Auctioneers Licensing Examination. The fee for taking the New Hampshire Auctioneers Licensing Examination is \$30.00. Payment of fees can be made by check or money order. Cash will only be accepted if submission is in person at the Board office. Checks should be made payable to "Secretary of State, State of New Hampshire".

All registration materials must be received and complete and correct by the close of business 14 days prior to the scheduled examination.

At least 1 week before your scheduled examination, the Board will mail an admission ticket to you that confirms your appointment and provides you with information about the date, time, and location of your examination.

TAKING THE EXAMINATION

You will not be admitted into the testing location without your admission ticket. If you are unable to attend the Examination as scheduled, you must notify the Board's office as soon as possible. Your registration will be invalidated if you fail to appear for your appointment without notifying the Board's office.

On the day of the examination you should arrive at your designated testing location no later than the time specified on your admission ticket. In order to take the New Hampshire Auctioneers Licensing Examination, you must present the following when you arrive at the designated testing location:

- a valid admission ticket, and
- a form of identification which contains your photograph and signature (driver's license or passport)

It is recommended that you bring a battery operated calculator and three #2 pencils with erasers. You will be provided with scratch paper. You will be allowed 3 hours to complete the examination. Portable telephones will not be allowed.

GRADE REPORTING

A written grade, with a breakdown of your score, will be mailed to you by the Board within 14 days of the examination. If you do not pass, you must retake the examination before you can apply for a license. Submit a new registration form to make an appointment to retake the examination.

TIPS FOR PREPARING FOR THE AUCTIONEERS LICENSE EXAMINATION

The following suggestions should help you prepare for taking the Auctioneers Licensing Examination. Planned preparation increases your likelihood of passing.

Start with this New Hampshire Auctioneers Licensing Information Bulletin. Use the exam outline as a basis for your study. The outline itself is a study tool because it familiarizes you with auction terms. Learn major points associated with each line of the outline.

Take notes on what you study. Putting information in writing helps you commit it to memory. Underline or highlight key ideas that will help with a later review. Read the study materials, making sure you understand each idea before going on to another. Check each topic off the outline when you feel you have an adequate understanding. Plan to take your examination when all topics have been checked.

Discuss any new terms or concepts as frequently as you can with your colleagues and supervising auctioneer(s). This will test your understanding and reinforce ideas. Your studies will be most effective if you study frequently, for periods of about 45 to 60 minutes. Your concentration tends to wander when you study for long periods.

EXAMINATION CONTENT OUTLINE

I. State Statutes

- A.RSA 311.B
- B.RSA 358-a:2, relative to deceptive acts and practices
- C.RSA 358-G, relative to regulation of auctions
- D.RSA 444:1, relative to liens on personal property
- E.RSA 382-A:2-328, United State Uniform Commercial Code, Sale by auction

II. State Administrative Rules

- A. Chapter Auc 100, DEFINITIONS, ORGANIZATION AND PUBLIC INFORMATION
- B. Chapter Auc 200, COMPLAINTS AND HEARING PROCEDURES
- C. Chapter Auc 300, LICENSING REQUIREMENTS
- D. Chapter Auc 400, CONTINUED STATUS
- E. Chapter Auc 500, ETHICAL STANDARDS

III. Recognized Accounting Practices for Buyer and Seller

- A. Methods of recording sales
- B. Methods of listing of items sold
- C. Buyer settlements
- D. Consignor settlements

IV. Auctioneering Mathematics

- A. The ability to add, subtract, multiply, and divide whole numbers, decimals, and fractions
- B. The ability to calculate commissions, costs of sale, net to consignors, net to auctioneer
- C. The ability to work with percentages

SAMPLE QUESTIONS

1. According to RSA 311-B, an auctioneer is defined as a person who:
 - a. cries the sale at public auction.
 - b. engages in the business of selling for another personal, real or mixed property by auction.
 - c. who directs, controls, or is responsible for the auction.
 - d. is liable for the conduct and proceeds of the auction.
2. Disciplinary hearings are only called if the Board feels it is necessary.
True or False
3. The bond required by RSA 311-B:8 is in the amount of \$ _____.

Case Study

If your auction had 4 consignors: Consignor A at 15 %commission with total hammer price of \$3,000; Consignor B at 10%with total hammer price of \$5,000;Consignor C at 20%commission with total hammer price of \$10,000;and Consignor D at 25%with total hammer price of \$7,000.

4. What would be the commission amount charged to Consignor A?
 - a. \$450
 - b. \$2,550
 - c. \$300
 - d. \$750
5. What would be the total commissions paid to the auctioneer?
 - a. \$3,000
 - b. \$4,250
 - c. \$5,000
 - d. \$4,700
6. What would be the net to Consignor D?
 - a. \$5,300
 - b. \$5,250
 - c. \$4,750
 - d. \$4,500
7. The gross receipts of the auction (with nor buyer's premium)is \$25.000?
True or False
8. Which consignor brings the greatest commission to the auctioneer?
 - a. Consignor A
 - b. Consignor B
 - c. Consignor C
 - d. Consignor D

AUCTIONEERING MATHEMATICS

DEFINITIONS

- **Hammer Price** -is the price reached when the auctioneer says sold, with no additions.
- **Gross Proceeds** -is the total proceeds of the auction including buyer's premium.
- **Commission Rate** -is the percentage charged to the seller by the auctioneer. It is calculated on the hammer price and does not include other fees charged to the seller such as expenses.
- **Expenses** -fees charged to the seller over and above the commission, i.e.advertising or staffing.
- **Buyer's Premium percent** -is the advertised and published amount added to the hammer price to reach gross price

FORMULAE

- **Buyer's Premium Amount** =Buyer's Premium percent x Hammer price
 - **Gross Proceeds** =Hammer Price +Buyer's Premium Amount
 - **Commission Amount** =Commission rate x Hammer Price
 - **Net to Auctioneer** =Commission Amount +Buyer's Premium Amount +Expenses
 - **Net to Seller** =Hammer Price -Commission Amount -Expenses
- If there is more than one seller and they are charged differing amounts, calculate each seller's figures separately. Then add the appropriate totals.

Example:

Joe Smith is selling the contents of his father's house. He hires Mary Johnson to conduct the auction. Mary gets permission from Joe to add to the sale items from Sally Roberts. Mary charges Joe 10%commission plus advertising of \$500.00.Mary charges Sally a flat 20%.Mary also charges a 10%buyer's premium on all auctions. The hammer price for Joe's items total \$50,000.The hammer price for Sally's goods is \$20,000.

1. What is the total buyer's premium amount?
2. What are gross proceeds of the auction?
3. What is the commission amount for Joe?
4. What is the total cost of commission and expenses to Joe?
5. What is the net to Joe?
6. What is the commission amount for Sally?
7. What is the net to Sally?
8. How much does Mary receive from Joe including commission,buyer's premium and expenses?
9. How much does Mary receive from Sally including commission and buyer's premium?
10. What is the net to Mary including commission,buyer's premium and expenses?

Answers:

1. Buyer's premium amount =buyer's premium x total hammer price =10%x (\$50,000 +\$20,000)
=10%x \$70,000 =\$7,000
2. Gross proceeds =total hammer price +buyer's premium =\$70,000 +\$7,000 =\$77,000
3. Joe's commission amount =commission x hammer price =10%x \$50,000 =\$5,000
4. Joe's total cost =commission +expenses =\$5,000 +\$500 =\$5,500
5. Joe's net proceeds =hammer price -commission amount -expenses =\$50,000 -\$5,000 -\$500 =\$44,500
6. Sally's commission amount =commission x hammer price =20 %x \$20,000 =\$4,000
7. Sally's net proceeds =hammer price -commission amount =\$20,000 -\$4,000 =\$16,000
8. Mary receives from Joe =Joe's total cost =\$5,500
9. Mary receives from Sally =Sally's commission amount =\$4,000
10. Total Mary receives =Joe's total cost +Sally's commission amount +buyer's premium amount
=\$5,500 +\$4,000 +\$7,000 =\$16,500